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## NEWS RELEASE

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### **PSC DENIES APPROVAL FOR JEFFERSON-HARDIN POWER LINE** *LG&E and KU should have considered other routes, Commission says*

FRANKFORT, Ky. (Sept. 8, 2005) – While recognizing that additional transmission capacity is needed, the Kentucky Public Service Commission (PSC) has declined to authorize Louisville Gas & Electric Co. (LG&E) and Kentucky Utilities Co. (KU) to construct an electric transmission line along a proposed route in Jefferson, Bullitt, Meade and Hardin counties.

In an order issued today, the PSC said that LG&E and KU had demonstrated the line would be required to transmit power from the proposed expansion of the Trimble County power plant, which would serve both the LG&E and KU systems.

But the PSC concluded that LG&E and KU should have more carefully analyzed other routes for the proposed line.

“The Commission lacks sufficient information to determine if the proposed line would result in a wasteful duplication of facilities,” the PSC said. “Specifically, the Commission finds that LG&E/KU failed to adequately consider the use of existing rights-of-way, transmission lines and corridors.”

LG&E and KU are proposing to construct 41.9 miles of 345-kilovolt line that would extend from LG&E’s Mill Creek Generating Station in southwest Jefferson County to KU’s Hardin County substation southwest of Elizabethtown.

A review of LG&E and KU's application found that, although the utilities said they had studied alternate routes, they had failed to document their analysis. The companies produced only inconsistent testimony and documents that indicate that there was insufficient analysis of “a sufficiently wide array of alternative routes,” the PSC said.

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The PSC admonished LG&E/KU for not addressing issues and questions raised by landowners and others at the public hearing on the power line proposal. The companies testified they would address those complaints only after the PSC had approved the proposed power line.

Such an approach “has the potential to disregard the legislative directive to conduct meaningful local hearings,” the PSC said. Applicants are expected to make “a good faith effort” to address issues raised during the local hearings, the Commission said.

“The Commission is disappointed in the approach the Company took and gives LG&E/KU and all other similar applicants notice that we expect a different response in future cases,” the PSC said.

Noting that it now has rejected three of the last four transmission line applications to come before it, the PSC emphasized that “these decisions should not be misinterpreted as indicating a reluctance by the Commission to approve the construction of new transmission lines.” On the contrary, the PSC said it “fully understands the need for a robust transmission infrastructure.”

Rather, the decisions reflect the changes required under a state law passed last year that, for the first time, specifically required PSC approval of major electric transmission lines. Thus, “for a short but sometimes painful transitional period,” there may be misunderstandings, the PSC said.

The recent cases represent the first opportunity the Commission has had to explain how the new law will be applied, the PSC said.

“In the short term this transition may result in minor delays in the construction of lines,” the PSC said. “In the long term the Commonwealth and its citizens will benefit from the sharing of utility easements, whenever possible.”

Today’s order and other documents in the case are available on the PSC Web site, [psc.ky.gov](http://psc.ky.gov). The case number is 2005-000142.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.